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15 Attorneys for Plaintiff
16 ADDON COMPUTER PERIPHERALS, INC.

17 **UNITED STATES DISTRICT COURT**
18 **CENTRAL DISTRICT OF CALIFORNIA**
19 **SOUTHERN DIVISION**

20 ADDON COMPUTER PERIPHERALS, LLC } Case No.
21 Plaintiff, } **COMPLAINT FOR:**
22 v. } (1) **TRADEMARK INFRINGEMENT**
23 OMNIREPS, LLC } **UNDER 15 U.S.C. §1125(a);**
24 Defendants. } (2) **TRADEMARK DILUTION**
25 } **UNDER 15 U.S.C. § 1125 (a); and**
26 } (3) **UNFAIR COMPETITION**
27 } **UNDER CAL. BUS. & PROF. CODE**
28 } **§§ 17200 and 17500, *et seq.***

29 Plaintiff, ADDON COMPUTER PERIPHERALS, LLC, by their attorneys, hereby file
30 this Complaint against Defendant, Omnideps, LLC, and allege as follows:

31 **THE PARTIES**

32 1. Plaintiff, AddOn Computer Peripherals, LLC (“AddOn”), is a limited liability
33 company organized and existing under the laws of the State of California and having a principal
34 place of business at 30400 Esperanza Rancho Santa Margarita, California 92688.

2. Upon information and belief, Defendant, Omnidireps, LLC (“Omnidireps”), is an Illinois limited liability company with a principal place of business at 9 Turnbury Court, Hawthorn Woods, Illinois 60047.

JURISDICTION AND VENUE

3. This action arises under the federal trademark statute (the “Lanham Act”) 15 U.S.C. §1051 *et seq.*, and under the common law of the State of California. This Court has original subject matter jurisdiction over this action pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1132, 1338, and 1367. This Court has subject matter jurisdiction over the related California state law claims pursuant to 28 U.S.C. § 1338 and 28 U.S.C. § 1367.

4. This Court has personal jurisdiction over the Defendant, Omnidreps because they have extensive contacts with, and conduct business within, the State of California and this judicial district; Omnidreps has purposefully availed itself of the opportunity to conduct commercial activities in this forum; the causes of action asserted in this Complaint arise out of Defendant's contacts with this judicial district; Omnidreps' uses of the mark PROLINE constitute the tort of trademark infringement, and the injury and effect of Omnidreps' infringement is felt in the forum state by Plaintiff AddOn. Personal jurisdiction is proper under the California Long-Arm Statute, Code Civ. Pro. §410.10, because the exercise of personal jurisdiction is not inconsistent with the Constitution of this state or of the U.S.

5. Venue is proper in this district under 28 U.S.C. §1391(b) and (c) because the Defendant has extensive contacts with, and conducts business within, the State of California and this judicial district; Defendant is subject to personal jurisdiction in the District; a substantial part of the events giving rise to these claims occurred in this District; and because Defendants have cased tortious injury to Plaintiff in this judicial district.

FACTUAL BACKGROUND

6. Plaintiff, AddOn is one of North America's largest providers of compatible network upgrades and connectivity products. AddOn is well known throughout the industry for setting standards of quality and reliability. AddOn supplies a full line of networking, memory and workplace upgrades including, among other products and services, Optical Network Transceivers, Fiber Optic Cabling, direct Attach Cabling, Dual OEM Cabling, PCI Cards, Desktop, Laptop, and Server Memory, Media Converters, and Pro AV Cabling and Accessories.

1 7. AddOn manufactures and sells a line of optical transceivers under the brandname
2 and trademark PROLINE.

3 8. AddOn was the party to first invent and first to affix the PROLINE mark onto
4 transceiver products.

5 9. At least as early as May, 2010, AddOn contracted with its outside marketing and
6 promotion company to create labels for AddOn's PROLINE product line and paid all of the costs
7 associated with the creation of PROLINE labels and other product packaging and inserts.

8 10. Since its first use, AddOn on continuously used its PROLINE mark in connection
9 with its manufacturing and sales of transceivers and associated products.

10 11. The labels included AddOn's PROLINE trademark as well as AddOn's toll-free
11 telephone number (see Exhibit A – AddOn PROLINE product labels).

12 12. Defendant, Omnidireps, is a marketing and advertising rep firm that provides
13 marketing support for brands looking to increase their footprint in the Direct Market
14 Reseller/Value-Added Reseller channel (*see* Exhibit B – Omnidireps' website and Exhibit C –
15 Omnidireps' Partner Introduction brochure).

16 13. Upon information and belief, Omnidireps LLC was formed on February 23, 2011
17 (see Exhibit D – Illinois Secretary of State online LLC File Detail Report).

18 14. At least as early as July 22, 2010, prior to Omnidireps' formation, AddOn began
19 using the mark PROLINE to identify its transceiver products and, since that time, AddOn has
20 continuously used the PROLINE mark to market and sell its transceiver products throughout the
21 United States and the world.

22 15. AddOn has devoted substantial time, effort, and resources to the development and
23 extensive promotion of the PROLINE mark and the products offered thereunder. As a result, the
24 public has come to recognize and rely upon the PROLINE mark as an indication of the high
25 quality associated with AddOn's transceiver products.

26 16. As a result of AddOn's efforts, and AddOn's long-term, widespread, and
27 continuous use of the PROLINE mark in the United States in connection with the manufacturing
28 and sales of transceivers and associated products for almost 6 years, the PROLINE mark enjoys a
high degree of consumer recognition and has become a famous mark.

17. AddOn began selling its PROLINE transceiver products to CDW Corporation
through Ingram Micro who acted as AddOn's distributor for PROLINE transceiver products.

1 18. On May 2, 2011, AddOn and Omnidreps signed a Contract for Services (*see Exhibit*
2 E – Contract for Services).

3 19. Under the engagement, Omnidreps acted as an independent manufacturer’s
4 representative between AddOn and CDW Corporation for the sales of AddOn products, including
5 transceivers, optical transceivers, and fiber-optic transceivers marketed and sold under the
PROLINE trademark.

6 20. Omnidreps’ website advertises its services and touts that Omnidreps is “Brand
7 Conscious” by stating “We do more than just sell, we’re an advocate for your brand, increasing
8 awareness and opportunities” (*emphasis added - see Exhibit B*).

9 21. Omnidreps Partner Introduction brochure also advertises Omnidreps’ services and
10 states “When Omnidreps first took on the Proline brand they recognized the potential in such a
great product” (*see Exhibit C*).

11 22. Upon information and belief, Todd Ferguson (“Ferguson”) was and is a managing
12 member of Omnidreps, LLC.

13 23. Prior to May 2, 2011, Ferguson acted as a broker/sales rep for AddOn for the sales
14 of AddOn products, including transceivers, optical transceivers, and fiber-optic transceivers
15 marketed and sold under the PROLINE trademark.

16 24. The engagement between AddOn and Omnidreps does not address the issue of
ownership of the PROLINE mark between AddOn, Ferguson, and/or Omnidreps.

17 25. Upon information and belief, Omnidreps filed trademark application Serial No.
18 85/655,121 (“the PROLINE application”) on June 19, 2012, in International Class 009 for
19 transceivers, optical transceivers, and fiber-optic transceivers, alleging a first use date of
20 November 13, 2010, which is prior to the formation of Omnidreps LLC (*see Exhibit F – PROLINE*
21 trademark application file history

22 26. Upon information and belief, along with the application, Omnidreps filed a
specimen of use (*see Exhibit F*).

23 27. The specimen of use is purportedly a photograph of the PROLINE mark affixed to
a label on an AddOn transceiver product.

24 28. The label shown in the specimen of use includes AddOn’s toll free telephone
number under the PROLINE mark on the product and is identical to the labels commissioned by
AddOn from its outside marketing and promotion company in May, 2010.

1 29. Upon information and belief, Omnidreps surreptitiously obtained the specimen of
2 use it filed with its PROLINE trademark application either directly or indirectly from AddOn.

3 30. Upon information and belief, the application issued as U.S. Trademark Reg. No.
4 4,282,736 on January 29, 2013.

5 31. Upon information and belief, On August 1, 2011, Omnidreps registered the domain
6 name “thinkproline.com.”

7 32. Upon information and belief, Omnidreps uses its “thinkproline.com” domain name
8 to advertise Add-On’s PROLINE transceiver products (*see* Exhibit G – thinkproline.com
webpage).

9 33. Upon information and belief, on September 5, 2014, Omnidreps filed intent-to-use
10 U.S. Trademark Application Serial No. 86/386,569 (“the THINK PROLINE application”), in
11 International Class 035 for Online retail store services featuring computer products, namely,
12 transceivers, optical transceivers, fiber-optic cables, fiber media converters, telecommunications
13 equipment, namely, fiber-optic or wired transceivers, converters and optimizers, gigabit interface
14 converters (GBIC) transceivers and small form factor pluggable (SFP) transceivers (*see* Exhibit H
– THINK PROLINE trademark application file history).

15 34. Upon information and belief, the THINK PROLINE trademark application has
16 been approved by the U.S. Patent and Trademark and Omnidreps has been granted an extension of
17 time to file a Statement of Use until March 24, 2016 (*see* Exhibit H).

18 35. On November 30, 2015, Add-On sent Omnidreps notice of its intent to terminate its
19 Contract for Services with Omnidreps pursuant to paragraph o of the Contract for Services (*see*
Exhibit E, paragraph o).

20 36. Pursuant to the Contract for Services, the Contract for Services is terminated 60
21 days after notice of intent to terminate (*see* Exhibit E, paragraph o).

22 37. As such, the Contract for Services between Add-On and Omnidreps terminates on
23 January 29, 2016.

24 38. Upon information and belief, Omnidreps/Ferguson have advertised, marketed, sold,
25 offered to sell, and/or brokered transceiver products under the PROLINE mark which were not
supplied by AddOn.

26 39. AddOn has not authorized Omnidreps/Ferguson to advertise, market, broker, sell or
27 offer to sell transceiver products under the PROLINE mark which are not supplied by AddOn.

1 40. Upon information and belief, prior to working with AddOn, neither Omnidreps nor
2 Ferguson advertised, marketed, sold, or offered to sell any transceiver products under the
3 PROLINE mark.

4 41. AddOn's toll free telephone number appears on labels of PROLINE transceiver
5 products brokered by Omnidreps/Ferguson.

6 42. None of the transceiver products supplied by AddOn and brokered by
7 Omnidreps/Ferguson under the PROLINE mark include anything identifying Omnidreps and/or
Ferguson as the source of the products.

8 43. AddOn is responsible for maintaining the quality and uniformity of all transceiver
9 products brokered by Omnidreps and/or Ferguson under the PROLINE mark.

10 44. AddOn is responsible for all technical changes to all transceiver products brokered
11 by Omnidreps and/or Ferguson under the PROLINE mark.

12 45. Upon information and belief, the relevant consuming public identifies AddOn as
13 the source of all transceiver products brokered by Omnidreps and/or Ferguson under the PROLINE
mark.

14 46. The relevant consuming public directly contacts AddOn regarding any problems or
15 defects with transceiver products brokered by Omnidreps and/or Ferguson under the PROLINE
16 mark.

17 47. Every PROLINE product supplied by AddOn includes an insert providing the
18 consumer with AddOn's toll-free telephone number along with instructions to call the toll-free
19 number should the consumer experience any issues with the product (see Exhibit I – PROLINE
product support insert).

20 48. AddOn employees answer calls directed to the toll-free number listed on
21 PROLINE product labels and inserts and assist purchasers of PROLINE products with any
22 question or problems related to the products.

23 49. AddOn has paid for a majority of the advertising and promotion costs for the
24 transceiver products brokered by Omnidreps and/or Ferguson under the PROLINE mark.

25 50. On November 25, 2015, AddOn filed a Petition to Cancel U.S. Trademark
26 Registration No. 4,282,736 in the U.S. Patent and Trademark Office before the Trademark Trial
and Appeal Board (see Exhibit J – Petition to Cancel file history).

1 51. The Petition to Cancel was accepted by the U.S. Patent and Trademark Office and,
2 on November 30, 2015, a cancellation proceeding was instituted and assigned Cancellation No.
3 92062715.

4 52. AddOn, not Omnidireps/Ferguson, was the owner of the PROLINE mark at the time
5 Omnidireps filed its trademark application for registration of the PROLINE mark.

6 53. AddOn, not Omnidireps/Ferguson, was, at all relevant times the owner of the
7 PROLINE mark.

8 54. AddOn, not Omnidireps/Ferguson, is the current owner of the PROLINE mark.

9 55. AddOn has been and will continue to be damaged by Omnidireps' registration of the
10 PROLINE mark.

11 56. AddOn's date of use of its PROLINE mark is prior to the date of Omnidireps' date
12 of filing of its application for registration of the PROLINE mark, prior to the date of first use
13 alleged in Omnidireps' application for registration of the PROLINE mark, and even prior to the
14 formation of Omnidireps.

15 57. Omnidireps' registration for the PROLINE mark is identical to AddOn's PROLINE
16 mark.

17 58. The goods described in Omnidireps registration for the PROLINE mark are identical
18 to the goods sold by AddOn under AddOn's PROLINE mark.

19 59. In view of the similarity of the respective marks, identical channels of trade and
20 the identical goods offered for sale by the respective parties, Omnidireps' use of the PROLINE
21 mark so resembles AddOn's PROLINE mark, previously used by AddOn in the United States,
22 and not abandoned, as to be likely to cause confusion, or to cause mistake, or to deceive as to the
23 source of the goods.

24 60. Omnidireps' use of the thinkproline.com domain name and associated website also
25 so resembles AddOn's PROLINE mark, previously used by AddOn in the United States, and not
26 abandoned, as to be likely to cause confusion, or to cause mistake, or to deceive as to the source
27 of the goods advertised on the website.

28 61. Omnidireps knowingly made material, false statements to the U.S. Patent and
29 Trademark Office in the course of procuring U.S. Trademark Registration No. 4,282,736 in order
30 to deceive the U.S. Patent and Trademark Office to induce the U.S. Patent and Trademark Office
31 to issue the registration.

1 62. The material, false statements knowingly made by Omnidreps include at least the
2 following statements made in the PROLINE trademark application filed on June 19, 2012:
3 a. That Omnidreps was the owner of the PROLINE trademark;
4 b. That no other person, firm, corporation or association had the right to use the
5 PROLINE mark in commerce, either in the identical form thereof or in such
6 near resemblance thereto as to be likely, when used on or in connection with
7 the goods/services of such other person, to cause confusion, or to cause
8 mistake, or to deceive;
9 c. That the PROLINE mark was first used by Omnidreps;
10 d. That Omnidreps first used the PROLINE mark at least as early as November 13,
11 2010, when, in fact, Omnidreps did not exist on November 13, 2010; and
12 e. That the specimen of use submitted by Omnidreps showed Omnidreps' use of the
13 mark as opposed to AddOn's use of the mark.

14 63. Omnidreps' representative, Todd Ferguson, knew that the statements made in the
15 PROLINE trademark application were false and material.

16 64. The false statements knowingly made by Omnidreps in the PROLINE trademark
17 application were, in fact, material.

18 65. Omnidreps made the knowingly false and material statements in an attempt to trade
19 off the goodwill associated with AddOn's PROLINE trademark.

20 66. AddOn's date of use of its PROLINE mark is prior to the date of Omnidreps' date
21 of filing of its application for registration of the PROLINE mark, prior to the date of first use
22 alleged in Omnidreps' application for registration of the PROLINE mark, prior to the date of first
23 use alleged in Omnidreps' application for registration of the THINK PROLINE mark, and prior to
24 Omnidreps' registration and first use of the domain name thinkproline.com and associated website.

25 67. In view of the similarity of the respective marks, identical channels of trade and
26 the identical goods offered for sale by the respective parties, Omnidreps PROLINE registration,
27 THINK PROLINE application, and thinkproline.com domain name and associated website so
28 resemble AddOn's PROLINE mark, previously used by AddOn in the United States, and not
abandoned, as to be likely to cause confusion, or to cause mistake, or to deceive as to the source
of the goods.

68. AddOn, believes that it will be and is being damaged by Omnidreps' unauthorized use of AddOn's PROLINE mark in connection with transceiver products, Omnidreps' Registration No. 4,282,736 for the mark PROLINE, Omnidreps' Application No. 86/386,569 for the mark THINK PROLINE, and Omnidreps' unauthorized use of the domain name thinkproline.com and associated website.

COUNT I

(Federal Trademark Infringement under 15 U.S.C. § 1125(a))

69. AddOn hereby incorporates by reference and realleges each and every allegation set forth in Paragraphs 1-68.

70. The action of Omnidreps/Ferguson described above and specifically, without limitation, their unauthorized use and registration of the PROLINE trademark, the THINK PROLINE mark, and confusingly similar variations thereof, as well as the thinkproline.com domain name and associated website, in commerce to advertise, promote, market, sell, and/or offer to sell transceiver products under the PROLINE brand throughout the United States, constitutes trademark infringement in violation of 15 U.S.C. §§ 1125(a).

71. The actions of Omnidreps/Ferguson, if not enjoined, will continue. Plaintiff has suffered and continues to suffer damages in an amount to be proven at trial consisting of, among other things, diminution in value of and goodwill associated with the PROLINE mark, and injury to AddOn's business. AddOn is therefore entitled to injunctive relief pursuant to 15 U.S.C. § 1116.

72. Pursuant to 15 U.S.C. § 1117, Plaintiff is entitled to recover damages in an amount to be determined at trial, profits made by Defendants on sales of PROLINE transceiver products, and the costs of this action. Furthermore, AddOn is informed and believes, and on that basis alleges that the action of Omnidreps/Ferguson were undertaken willfully and with the intention of causing confusion, mistake, or deception, making this an exceptional case entitling AddOn to recover additional treble damages and reasonable attorneys' fees pursuant to 15 U.S.C. § 1117.

73. AddOn further seeks an order that AddOn, not Omnidreps/Ferguson, was the owner of the PROLINE mark at the time Omnidreps filed its trademark application for registration of the PROLINE mark and that AddOn, not Omnidreps/Ferguson, was, at all relevant times the owner of the PROLINE mark.

74. AddOn also seeks an order that AddOn, not Omnireps/Ferguson, is the current owner of the PROLINE mark.

COUNT II

(Federal Trademark Dilution under 15 U.S.C. §1125(c))

75. AddOn hereby incorporates by reference and realleges each and every allegation set forth in Paragraphs 1-74.

76. The actions of Omnidreps/Ferguson described above and specifically, without limitation, their unauthorized use of the famous PROLINE trademark, the THINK PROLINE mark, and confusingly similar variations thereof, as well as the thinkproline.com document name and associated website, in commerce to advertise, market, sell, and/or offer to sell transceiver products under the PROLINE mark throughout the United States, are likely to cause dilution by blurring and tarnishment in violation of 15 U.S.C. §1125(c).

77. The actions of Omnidreps/Ferguson, if not enjoined, will continue. AddOn has suffered and continues to suffer damages in an amount to be proven at trial consisting of, among other things, diminution in value of and goodwill associated with the PROLINE mark, and injury to AddOn's business. AddOn is therefore entitled to injunctive relief pursuant to 15 U.S.C. §1116 and 15 U.S.C. § 1125(c).

78. On information and belief, the actions of Omnidreps/Ferguson described above were and continue to be deliberate and willful. AddOn is therefore entitled to recover damages in an amount to be determined at trial, profits made by Omnidreps/Ferguson on sales of transceiver products under the PROLINE mark, and the costs of this action pursuant to 15 U.S.C. § 1117.

COUNT III

(Statutory Unfair Competition

under California Business and Professions Code §§ 17200 and 17500 *et seq.*)

79. AddOn hereby incorporates by reference and realleges each and every allegation set forth in Paragraphs 1-78.

80. Omnireps/Ferguson's actions described above and specifically, without limitation, Omnireps use the PROLINE mark, the THINK PROLINE mark, and confusingly similar variations thereof, as well as the thinkproline.com domain name and associated website, in commerce to advertise, market, and sell transceiver products throughout the United States and

1 California constitute trademark infringement, false advertising, and unfair competition in
2 violation of the laws of the State of California.

3 81. By these actions, Omnidreps/Ferguson have engaged in false advertising and unfair
4 competition in violation of the statutory law of the state of California, Cal. Bus. & Prof. Code §§
5 17200 and 17500, *et seq.*, and, as a result, AddOn has suffered and will continue to suffer damage
6 to its business, reputation, and goodwill.

7 82. As a direct and proximate result of Omnidreps/Ferguson's willful and intentional
8 actions, AddOn has suffered damages in an amount to be determined at trial and, unless Omnidreps
9 is restrained, AddOn will continue to suffer irreparable damage.

PRAYER FOR RELIEF

10 WHEREFORE, AddOn prays that this Court enter judgment against Omnidreps as follows:

11 A. That AddOn be granted injunctive relief under 15 U.S.C. § 1051 *et seq.*; California
12 Business and Professions Code §§ 17200 and 17500 *et seq.*; and federal law and California laws;
13 specifically, that Omnidreps and all of their respective officers, agents, servants, representatives,
14 employees, attorneys, and all other persons acting in concert with them be enjoined from:

15 1. using the PROLINE mark, the THINK PROLINE mark, or any mark
16 confusingly similar to the PROLINE mark, as well as the thinkproline.com domain name and
17 associated website, in connection with the marketing, promotion, advertising, distribution, sale, or
offering to sell transceivers or associated products;

18 2. that Omnidreps be adjudged to unlawfully and unfairly compete against
19 AddOn under the law of the State of California, Cal. Bus. & Prof. Code § 172000, *et seq.*;

20 B. That AddOn be awarded damages pursuant to 15 U.S.C. § 1117(a), sufficient to
21 compensate it for the damage caused by Omnidreps;

22 C. That AddOn be awarded Omnidreps' profits derived by reason of said acts, or as
23 determined by an accounting;

24 D. That such damages and profits be trebled and awarded to AddOn and that it be
25 awarded its costs, attorneys' fees and expenses in this suit under 15 U.S.C. § 1117, as a result of
26 Omnidreps willful, intentional, and deliberate acts in violation of the Lanham Act;

27 E. That AddOn be granted prejudgment and post judgment interest;

- F. That AddOn be granted costs associated with the prosecution of this action; and
- G. That AddOn be granted such further relief as the Court may deem just.

DATED: January 28, 2016

TECHLAW LLP
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By: G. Peter Albert, Jr.
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